

CITY OF NORTH BEND FOR IMMEDIATE RELEASE

May 24, 2012

NORTH BEND'S WATER & SEWER SYSTEM UPGRADED TO "A+"

North Bend, WA – The City of North Bend is very pleased to report Standard & Poor's has upgraded North Bend from an "A" to "A+" as its bond rating grade for the City's Water & Sewer System.

The City was in the process of paying off short-term financing for ULID No. 6 sewer improvements with the issuance of Water and Sewer Revenue Bonds. As part of the process for preparing for the revenue bond sale, the City decided to pursue a rating upgrade from the national rating agency of Standard & Poor's.

"This is great news," said Mayor Ken Hearing. "This rating upgrade reflects that the City's Water & Sewer System is very well-managed and has strong financial practices in place for the benefit of our ratepayers". The Mayor thanked the City Council for adopting conservative financial policies and thanked City staff for improving the City's rating.

According to Londi Lindell, City Administrator, "the City received the bond rating upgrade to "A+" based on the following factors: 1. Historical performance and debt service coverage; 2. Sound finances and reserves; 3. Experienced management in operating the Utility System in an efficient manner; and 4. Strong economic base."

The City's staff of Londi Lindell, (City Administrator), Stan Lewis (Finance Manager), Ron Garrow (Public Works Director); Gina Estep (Community Economic/Development Director) along with Jim Nelson (Bond Underwriter) participated in a conference call in May 2012 with Standard & Poor's, which dealt with the topics of management, finances, local economy, policies, and long-term planning.

The City is also preparing for a Limited Tax General Obligation Bond sale to finance transportation improvements. The City was recently notified by Standard & Poor's that the underlying rating grade for the General Obligation Bonds (which are secured by the City's General Fund) was re-affirmed at "AA-". Considering the city of North Bend's population size, the city is one of a few cities in Washington with a General Obligation bond rating in the "AA" category ("high quality" investment grade).

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